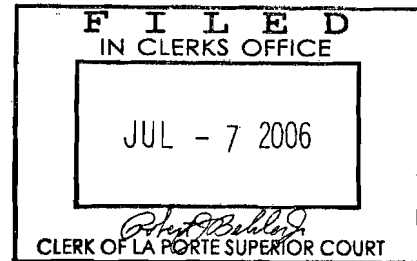


STATE OF INDIANA)
) SS:
COUNTY OF LA PORTE)

IN THE LA PORTE CIRCUIT COURT

CAUSE NO. 46001 0 60 7 PL 113

STATE OF INDIANA,)
)
Plaintiff,)
)
v.)
)
AMY CLAXTON, and)
DAVID CLAXTON,)
individually and doing business as)
VELVET RAVEN SALES,)
)
Defendants.)



**COMPLAINT FOR INJUNCTION,
RESTITUTION, COSTS, AND CIVIL PENALTIES**

The State of Indiana, by Attorney General Steve Carter and Deputy Attorney General Terry Tolliver, petitions the Court pursuant to the Indiana Deceptive Consumer Sales Act, Indiana Code § 24-5-0.5-1 *et seq.*, for injunctive relief, consumer restitution, investigative costs, civil penalties, and other relief.

PARTIES

1. The Plaintiff, State of Indiana, is authorized to bring this action and to seek injunctive and other statutory relief pursuant to Ind. Code § 24-5-0.5-4(c).
2. At all times relevant to this Complaint, the Defendants, Amy and David Claxton, individually and doing business as Velvet Raven Sales, were engaged in the sale of items via the Internet from their principal place of business in La Porte County, located at 323 E. Lincolnway, La Porte, Indiana, 46350.

FACTS

3. At least since July 18, 2005, the Defendants have offered items for sale to consumers via the Internet.

A. Allegations Related to Consumer Colin Wu's Transaction.

4. On or about July 18, 2005, the Defendants entered into a contract via the Internet with Colin Wu ("Wu") of Saint Louis, Missouri, wherein the Defendants represented they would sell rare *Magic: The Gathering Cards* to Wu for a total price of Nine Thousand Eight Hundred Dollars (\$9,800.00), which Wu paid.

5. Upon receiving the package on August 2, 2005, Wu found the Defendants had shipped "common cards", which are worth considerably less than the rare cards the Defendants represented they would sell to Wu.

6. Pursuant to Ind. Code § 24-5-0.5-3(a)(10), the Defendants are presumed to have represented at the time of the sale they would deliver the rare cards within a reasonable period of time.

7. As of today, the Defendants have yet to either deliver the rare cards as originally represented, or to provide a refund to Wu.

B. Allegations Regarding Consumer Harold G. Woods' Transaction.

8. On or about November 2, 2005, the Defendants entered into a contract via the Internet with Hal Woods ("Woods") of Newport Beach, California, wherein the Defendants represented they would sell a used 2003 Rolex 18K/SS Submariner watch to Woods for Five Thousand One Hundred and Sixty-Seven Dollars (\$5,167.00), which Woods paid.

9. On December 5, 2005, Woods had the watch inspected by his local jeweler and learned he had received a fake Rolex watch.

10. On or about December 21, 2005, the Defendants E-mailed Woods and offered a refund to Woods upon return of the watch, along with a signed letter or appraisal from a jeweler declaring the watch to be fake, which Woods did.

11. Pursuant to Ind. Code § 24-5-0.5-3(a)(10), the Defendants are presumed to have represented at the time of the sale they would deliver an authentic watch, as represented, within a reasonable period of time.

12. As of today, the Defendants have yet to either deliver an authentic watch, or to provide a refund to Woods.

C. Allegations Regarding Consumer Stephen Sears' Transaction.

13. On or about November 12, 2005, the Defendants entered into a contract via the Internet with Stephen Sears of Ponte Verde Beach, Florida, wherein the Defendants represented they would sell a 2004/5 Rolex Submariner watch to Sears for a total price of Twelve Thousand and Twenty-Five Dollars (\$12,025.00), which Sears paid.

14. On January 4, 2006, Sears had the watch inspected by his local jeweler and learned the Defendants had shipped a fake Rolex watch to Sears.

15. Upon filing a claim with eBay's Standard Purchase Protection Program, Sears received a partial refund of One Hundred and Seventy-Five Dollars (\$175.00).

16. Pursuant to Ind. Code § 24-5-0.5-3(a)(10), the Defendants are presumed to have represented at the time of the sale they would deliver an authentic watch, as represented, within a reasonable period of time.

17. As of today, the Defendants have yet to either deliver an authentic watch, or to provide a refund to Sears.

D. Allegations Regarding Consumer Richard Foltz's Transaction.

18. On or about November 16, 2005, the Defendants entered into a contract via the Internet with Richard Foltz of Fort Lauderdale, Florida, wherein the Defendants represented they would sell two (2) Rolex watches, a gold Rolex Submariner and a Stainless Steel Rolex Daytona, for a total price of Fifteen Thousand Dollars (\$15,000.00), which Foltz paid.

19. On or about December 28, 2005, Foltz had the watches inspected by his local jeweler and learned the Defendants shipped fake Rolex watches to him.

20. Pursuant to Ind. Code § 24-5-0.5-3(a)(10), the Defendants are presumed to have represented at the time of the sale they would deliver authentic watches, as represented, within a reasonable period of time.

21. As of today, the Defendants have yet to either deliver authentic watches, or to provide a refund to Foltz.

COUNT I - VIOLATIONS OF THE DECEPTIVE CONSUMER SALES ACT

22. The transactions identified in paragraphs 4, 8, 13, and 18 are "consumer transactions" as defined by Ind. Code §24-5-0.5-2(1).

23. The Defendants are "suppliers" as defined in Ind. Code §24-5-0.5-2(3).

24. The Defendants' representations to consumers they would sell the items to consumers as represented, when the Defendants knew or reasonably should have known the consumers would not receive any such benefit, as referenced in paragraphs 4, 8, 13,

and 18, are violations of the Indiana Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-3(a)(1).

25. The Defendants' representations to consumers the items were of a particular standard, quality, grade, style, or model, when the Defendant knew or reasonably should have known they were not, as referenced in paragraphs 4, 8, 13, and 18 are violations of the Indiana Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-3(a)(2).

26. The Defendants' representations to Consumer Woods they would issue a refund, when the Defendants knew or reasonably should have known the transaction did not have any such rights or remedies, as referenced in paragraph 10, is a violation of the Indiana Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-3(a)(8).

27. The Defendants' representations to consumers the Defendants would deliver the items, or otherwise complete the subject matter of the consumer transactions within a reasonable period of time, when the Defendants knew or reasonably should have known they would not, as referenced in paragraphs 6, 11, 16, and 20, are violations of the Indiana Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-3(a)(10).

28. The Defendants' representations to the consumers they would be able to purchase the items as advertised by the Defendants, when the Defendants did not intend to sell the items as represented, as referenced in paragraphs 4, 8, 13, and 18 are violations of the Indiana Deceptive Consumer Sales Act, Ind. Code § 24-5-0.5-3(a)(11).

**COUNT II – KNOWING AND INTENTIONAL VIOLATIONS
OF THE DECEPTIVE CONSUMER SALES ACT**

29. The Plaintiff realleges and incorporates by reference the allegations contained in paragraphs 1-28 above.

30. The misrepresentations and deceptive acts set forth in paragraph 4, 6, 8, 10, 11, 13, 16, 18, and 20, were committed by the Defendants with knowledge and intent to deceive.

RELIEF

WHEREFORE, Plaintiff, State of Indiana, requests that the Court enter judgment against the Defendants, Amy Claxton and David Claxton, individually and doing business as Velvet Raven Sales, for a permanent injunction pursuant to Ind. Code § 24-5-0.5-4(c)(1), enjoining the Defendants from the following:

- a. representing, expressly or by implication, the subject of a consumer transaction has sponsorship, approval, characteristics, accessories, uses, or benefits it does not have, which the Defendants know or reasonably should know it does not have;
- b. representing, expressly or by implication, the subject of a consumer transaction is of a particular standard, quality, grade, style, or model; if it is not and if the Defendants know or reasonably should have know it is not;
- c. representing, expressly or by implication, the subject of a consumer transaction involves or does not involve a warranty, a disclaimer of warranties, or other rights, remedies, or obligations, if the representation is false and the Defendants know or reasonably should know the representation is false;

- d. representing, expressly or by implication, the Defendants are able to deliver or complete the subject of a consumer transaction within a reasonable period of time, when the Defendants know or reasonably should know they cannot; and
- e. representing expressly or by implication the consumer will be able to purchase the subject of a consumer transaction as advertised by the Defendants, when the Defendants do not intend to sell it.

AND WHEREFORE, the Plaintiff, State of Indiana, further requests the Court enter judgment against the Defendants for the following relief:

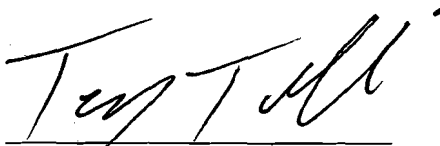
- a. cancellation of the Defendants' unlawful contracts with all consumers, including, but not limited to, the persons identified in paragraphs 4, 8, 13, and 18, pursuant to Ind. Code § 24-5-0.5-4(d).
- b. consumer restitution, pursuant to Ind. Code § 24-5-0.5-4(c)(2), for reimbursement of all unlawfully obtained funds remitted by consumers for the purchase of items from the Defendants, including, but not limited to, those persons identified in paragraphs 4, 8, 13, and 18, in an amount to be determined at trial;
- c. costs, pursuant to Ind. Code § 24-5-0.5-4(c)(3), awarding the Office of the Attorney General its reasonable expenses incurred in the investigation and prosecution of this action;

- d. on Count II of the Plaintiff's complaint, civil penalties, pursuant to Ind. Code § 24-5-0.5-4(g), for the Defendants' knowing violations of the Deceptive Consumer Sales Act, in the amount of Five Thousand Dollars (\$5,000.00) per violation, payable to the State of Indiana;
- e. on Count II of the Plaintiff's complaint, civil penalties, pursuant to Ind. Code § 24-5-0.5-8, for the Defendants' intentional violations of the Deceptive Consumer Sales Act, in the amount of Five Hundred Dollars (\$500.00) per violation, payable to the State of Indiana; and
- f. all other just and proper relief.

Respectfully submitted,

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